Supportive Debt Recovery

A toolkit by the Money and Pensions Service (MaPS) setting out what good looks like in supportive debt recovery, combining practical guidance, sector best practice, and system-wide insight to help creditors work effectively with independent debt advice agencies.

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1. Executive Summary

Across the UK, rising living costs, increased arrears, and persistent financial pressures continue to affect millions of households. Creditors are working hard to support customers through these challenges, while balancing commercial obligations and meeting evolving regulatory expectations. In this context, collaboration between creditors and independent debt advice agencies is not only beneficial—it is essential.

As the largest funder of free debt advice in England, the Money and Pensions Service (MaPS) sees the impact of these partnerships every day. When creditors and debt advisers work together, customers are supported to stabilise their finances, and creditors achieve more sustainable repayment outcomes with lower operational and enforcement costs.

Since the last iteration of this toolkit, much has changed. The introduction of Breathing Space, the FCA's Consumer Duty, strengthened vulnerability guidance, and new standards across government and enforcement have raised expectations around fair treatment, ability to pay and transparency. At the same time, rapid advances in digital tools, AI, and Open Banking have transformed how customers interact with creditors, and how creditors assess risk, identify vulnerability, and manage affordability. These innovations bring significant opportunities but also risks if they unintentionally make it harder for customers or advisers to engage.

This updated toolkit sets out what good now looks like. It offers practical guidance for strengthening referral pathways, improving the consistent use of the Standard Financial Statement (SFS), simplifying communication with debt advisers, and supporting people experiencing vulnerabilities such as mental health challenges or economic abuse. It draws on real examples from across the public, private, utility, and financial services sectors, showcasing how supportive, collaborative approaches deliver better outcomes for customers while reinforcing operational efficiency, compliance, and organisational reputation.

At its core, this resource is about partnership. Creditors and debt advisers share a common goal and achieving this requires active partnership from both sectors. Debt advisers provide independent assessments of a customer's circumstances and support customers to engage with solutions. Creditors provide operational insight, flexibility in the application of policies, and tailored support based on the customer's circumstances. Sustainable outcomes are most likely when both parties work collaboratively, share information appropriately, and remain focused on the customer's long-term financial wellbeing.

Anna Hall, Corporate Director for Debt

Key Steps for Creditors – What to Do Next

To embed a supportive, collaborative, and sustainable approach to debt recovery, creditors are encouraged to:

1. Embed early and proactive debt advice referrals

Make it easy for customers to access free, independent, debt advice across all channels, particularly at the earliest signs of financial stress.

2. Adopt and apply the Standard Financial Statement (SFS) consistently

Use the SFS as the standard measure of ability to pay and engage constructively with adviser submitted SFSs unless clear evidence suggests otherwise.

3. Streamline third party access for debt advisers

Provide simple, consistent ways for advisers to contact you—through dedicated channels, digital submission routes, and flexible consent processes.

4. Work collaboratively with all advice providers

Support customers' chosen advisers and engage openly with repayment proposals based on impartial debt advice.

5. Support customers with specialist interventions

Embed specialist tools such as the Economic Abuse Evidence Form (EAEF) and the Debt and Mental Health Evidence Form (DMHEF), alongside trained teams, and clear protocols.

2. Introduction

Many creditors and their suppliers of debt collection services already have strong strategies in place to support customers in financial difficulty, often through partnerships with independent debt advice agencies. These collaborations deliver real benefits. However, some remain out of step, failing to consider what customers can realistically afford and lacking meaningful relationships with the debt advice sector.

MaPS believes that everyone benefits when creditors and debt advice providers work together. We also recognise that creditors and their agents have a legitimate expectation to receive payment, provided it's done ethically and sustainably. In practice, this means seeking repayment arrangements that are affordable, proportionate and informed by a customer's circumstances, while avoiding approaches that exacerbate financial difficulty or create unnecessary harm. Collaboration isn't simply good practice, it's essential for achieving better outcomes for customers and for creditors themselves.

Since the last iteration of this toolkit, some creditor sectors have made significant progress, but there is still much to do. This updated resource reflects developments over the past five years, incorporating new research, evolving ways of working, and insights from both the debt advice and creditor sectors.

Here, we showcase what good looks like. You'll find practical examples and case studies where partnership has transformed hardship into sustainable solutions. The evidence is clear: when creditors and their agents embrace collaboration, customers receive fair treatment, and organisations benefit through improved engagement and more sustainable repayment arrangements.

Debt advice partnerships aren't just the right thing to do; they make commercial sense. Throughout this resource, you'll find proven strategies and real-world stories that show how working together creates better outcomes for everyone.

Principles of Consistent Creditor Support

People in Financial Difficulty

Everyone deserves fair treatment no matter which organisation they owe money to. Consistency builds trust and ensures those facing hardship aren't penalised for circumstances beyond their control.

Debt Advice Agencies

Debt advisers may benefit from more consistency in creditor processes and decision-making, while recognising that creditors may need some flexibility to reflect sector-specific requirements, legal obligations, and individual customer circumstances. Consistency should support fairness without preventing creditors from exercising discretion where it is justified.

Creditors and suppliers of debt collection services

Recognition of the commercial reality: creditors need to recover what's owed. But success comes from doing it ethically and sustainably. That means being able to measure and demonstrate:

Below Standard (Minimum baseline)

A reactive, process-driven approach, characterised by limited referral pathways, non-standard ability to pay assessments, and restrictive engagement with debt advisers,

Good Practice Standard (Expected norm)

A proactive, joined-up approach with the debt advice sector to improve engagement and outcomes for people in problem debt

Leading Practice (Exceeding the Standard)

Creditors operating at this level demonstrate a system-wide, customer-centred approach.

3. Background

The debt advice sector consistently advocates for improvements in creditor debt collection practices, informed by the real-life experiences and feedback of people struggling with problem debt (debt advice clients)

Since the last iteration of this resource, the UK has faced significant financial challenges, including the economic impact of a pandemic and increased costs of living. Rising prices for essentials such as food, energy, and housing have left many struggling to keep up with bills and borrowing commitments.

According to MaPS MoneyView 2025[1], around 8 million people need debt advice, and a further 12 million are at risk of falling into arrears. The most common problem debts include credit cards, personal loans, energy bills, council tax arrears, and rent or mortgage arrears. Many households rely on high-cost credit to cover everyday expenses, increasing their vulnerability to payment shocks or unexpected bills.

Debt policy developments

Encouragingly, there have been many positive developments in debt policy in the last 5 years. With the introduction of Breathing Space regulations in May 2021[2], creditors are now required to apply a 60-day period where debt collection is paused, providing customers in problem debt with a crucial window to engage with debt advice and explore solutions to their financial challenges. Additionally, NHS mental health professionals can refer someone for Mental Health Breathing Space,[3] therefore pausing all debt collection activity for the duration of their treatment plus 30 days. In 2023, the FCA Consumer Duty[4] introduced higher standards of care, requiring financial services firms to deliver good outcomes for all customers, emphasising affordability, and proactive support, while the FCA's vulnerability guidance sets clear expectations for identifying and assisting customers who may be at greater risk of harm.

Also, the UK Government's Fairness Group[5] has played a key role in shaping fair and proportionate debt collection practices across central government. Working with the debt advice sector, it has developed Fairness Principles, toolkits for vulnerability and economic abuse, and guidance to ensure enforcement is balanced with support for those in financial hardship. MaPS is the chair of the 'Ability-to-pay' subgroup and has worked alongside The Government Debt Management Function (GDMF) to make several recommendations for improvement.

In 2025 The Ministry of Housing, Communities and Local Government (MHCLG) has consulted on proposals to improve the billing and collection of council tax in England[6].

In 2022 The Enforcement Conduct Board (ECB) was established as an independent voluntary oversight body for the enforcement industry in England and Wales. Government has recently consulted on placing the ECB on a statutory footing[7] whilst the ECB itself is currently proposing new enforcement standards[8] relating to Vulnerability and Ability to Pay.

These policy developments have reinforced collaborative approaches between creditors and the debt advice sector, but new challenges have emerged.

1 https://maps.org.uk/en/publications/moneyview

2 https://www.legislation.gov.uk/uksi/2020/1311/contents/made

3 https://www.gov.uk/government/publications/debt-respite-scheme-breathing-space-guidance-on-mental-health-crisis-breathing-space

4 https://www.fca.org.uk/firms/consumer-duty

5 https://www.gov.uk/government/publications/fairness-group-joint-public-statement

6 https://www.gov.uk/government/publications/council-tax-information-letter-42025-consultation-on-council-tax-administration

7 https://www.gov.uk/government/consultations/regulation-of-the-debt-enforcement-sector/regulation-of-the-debt-enforcement-sector-consultation

8 https://enforcementconductboard.org/vulnerability-and-ability-to-pay-standards/

The changing landscape of debt and emerging challenges.

UK consumer energy debt has reached record levels, with arrears and unpaid bills totalling £4.43 billion[9] by mid-2025, up 71% since 2023. Around three-quarters of this debt is unsecured and without repayment plans.

Households also face the pressure of average water bills increasing by around 36% between 2025 and 2030[10]. Although increases are intended to fund urgent infrastructure upgrades and environmental improvements, they come at a time when many households are already struggling with bills.

Acceptance of the Standard Financial Statement (SFS) remains inconsistent, particularly among public sector bodies and essential service providers. This lack of uniformity undermines the benefits of a common framework for assessing ability to pay. Referrals to debt advice are most effective when creditors give proper consideration to the resulting financial assessments and repayment proposals.

Over the past five years, digital technology and AI have transformed debt collection with many creditors now using AI-powered chatbots and self-service portals to offer 24/7 support and personalised repayment options. Open Banking integration has supercharged ability to pay assessments, and machine learning models help forecast repayment behaviour and identify vulnerabilities.

While we recognise the significant benefits that AI and digital technology bring to debt collection, we are mindful of the potential unintended consequences for people in debt and debt advisers that represent them. In particular, creditors play a vital role in referring customers to debt advice at critical moments and there is a risk that automated decision-making could inadvertently create barriers to advice-seeking or reduce opportunities for human intervention.

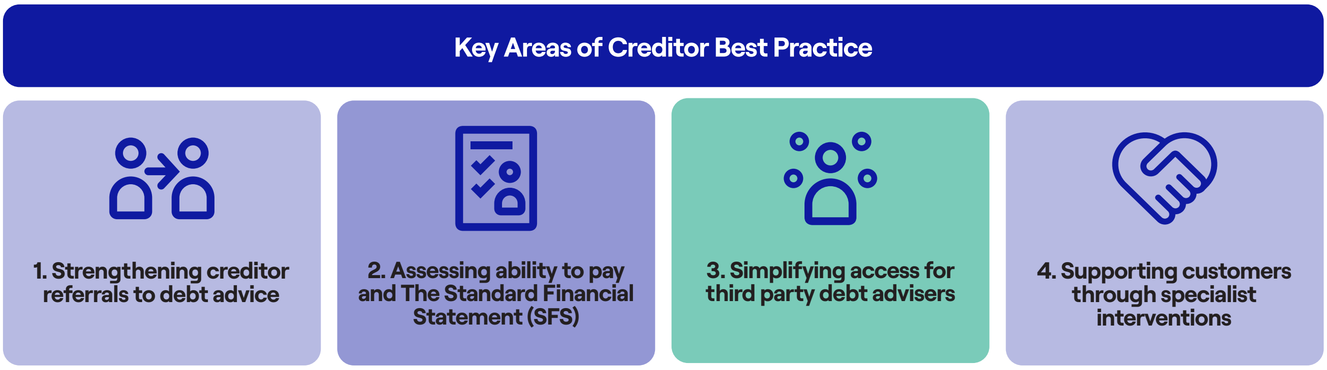
Digital platforms are also increasingly restricting the direct communication channels debt advisers depend on to negotiate repayment plans. Even when advisers manage to speak to a person, they often encounter highly restrictive third-party access processes, creating further barriers to delivering timely and effective client support. More concerning is that some creditors now limit their engagement to their preferred referral network.

Finally, UK debt policy now recognises economic abuse under the Domestic Abuse Act 2021[11], which has prompted measures to improve identification and support. The Economic Abuse Evidence Form (EAEF)[12] now enables debt advisers to confirm economic abuse without repeated disclosures, speeding up decisions, reducing evidence requests, and supporting victim / survivor wellbeing. Developed by Surviving Economic Abuse and Money Advice Plus, it's gaining traction in financial services—but wider adoption across other sectors is needed.

The purpose of this resource is to support creditors with practical options that encourage a more supportive and collaborative debt collections strategy

Based on advice sector campaigns, we have identified four strategic themes for creditors to work more collaboratively with debt advice providers:

This resource focuses on four strategic themes as shown in Figure 1



Creditor and debt advice partnerships
A shared focus on fair treatment, ability to pay, appropriate support and sustainable outcomes

Stakeholders stress the need to show that debt advice delivers better outcomes for creditors. This resource includes case studies demonstrating how a supportive approach benefits both creditors and customers

9 https://www.ofgem.gov.uk/news-and-insight/data/data-portal

10 https://www.ofwat.gov.uk/average-bills-2025-26-press-statement/

11 https://www.legislation.gov.uk/ukpga/2021/17/contents

12 https://survivingeconomicabuse.org/what-we-do/economic-abuse-evidence-form/

4. Understanding the debt advice sector

The UK debt advice sector is primarily regulated by the Financial Conduct Authority (FCA), ensuring providers meet standards[13] in consumer protection, transparency, and ethical conduct.[14] Alongside this, MaPS sets and monitors quality standards [15]for the debt advice services we commission.

Navigating the debt advice sector can be challenging for both creditors and customers. This is often due to the diversity of services, resources, and access channels across different advice agencies.

In this section, we outline the debt advice process and highlight the range of potential client outcomes and debt solutions available.

What is Debt Advice?

Debt advice refers to a set of tools and strategies designed to support individuals in managing financial difficulties. According to the Debt Advice Handbook (Child Poverty Action Group)[16], effective debt advice typically involves:

- **Maximising income** through benefits checks, budgeting support, and income optimisation.
- **Identifying priority debts** by explaining the consequences of non-payment and helping clients make informed decisions.
- **Budget planning** to ensure sustainable financial management.
- **Exploring debt solutions** that minimise the impact of debt on financial, social, and mental wellbeing.
- **Protecting essential assets** such as housing and utilities.
- **Providing representation or support** in implementing the chosen strategy.

Some agencies also offer Debt Management Plans (DMPs), where they collect payments from clients and distribute them to creditors on their behalf.

Additionally, debt advice providers may refer clients to statutory debt solutions administered by partner organisations. These include:

England, Wales, and Northern Ireland

- Bankruptcy
- Individual Voluntary Arrangement (IVA)
- Debt Relief Order (DRO)

Scotland

- Sequestration
- Trust Deed
- Debt Arrangement Scheme (DAS)
- Minimal Asset Process (MAP) Bankruptcy

The UK Debt Advice Sector

The UK's debt advice sector comprises a mix of not-for-profit and commercial organisations, each offering varying levels of support and specialisation.

Not-for-Profit Agencies

These organisations provide free advice on debt and related issues such as housing, benefits, Examples include:

- Local authority money advice teams
- Housing association advice services
- National charities such as Citizens Advice (England, and Wales), Citizens Advice Scotland and Shelter
- Money Advice Trust (which operates National Debtline and Business Debtline)
- Christians Against Poverty (CAP),a Christian charity which provides debt advice in the client's home through a vast network of local churches. Primarily funded through donations from individuals, churches and charitable supporters
- Smaller independent charities, often represented by Advice UK[17]

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13 https://handbook.fca.org.uk/handbook/conc8

14 With some exceptions such as local authority money advisers

15 https://maps.org.uk/en/about-us/money-and-pensions-service-standards

16 https://cpag.org.uk/welfare-rights/online-handbooks

17 https://www.adviceuk.org.uk/

Creditor-Funded Agencies ('Fair Share' Model)

These agencies offer free debt advice and DMPs, funded through voluntary contributions from creditors. Examples include:

- **StepChange Debt Charity** – a charity funded primarily by creditor donations
- **PayPlan** – a commercial provider offering free DMPs funded through the Fair Share model

Commercial Debt Advice Providers

These companies charge clients for debt advice and management services. They typically negotiate with creditors on behalf of clients and facilitate repayment plans, with fees deducted from client payments. Many firms are represented by The Debt Managers Standards Association (DEMSA).[18]

Hybrid developments in debt advice with specialist support

Mental Health Integration
Debt advice is increasingly paired with mental health support. **We Are Group**[19] is MaPS funded delivery partner for the **Mental Health Crisis Breathing Space (MHCBS)** scheme, a statutory initiative in England that provides temporary protection from creditor action for individuals receiving mental health crisis treatment. We Are Group coordinates access to the scheme, manages referrals from mental health professionals, and supports clients through the application process, helping them focus on recovery without the pressure of escalating debt

Support for Victims of Economic Abuse
Economic abuse, is recognised under the *Domestic Abuse Act 2021* which introduced a statutory definition of economic abuse and strengthened protections for victims and survivors. Some debt advice agencies such as Money Advice Plus (MAP), Payplan and StepChange use specialist training developed with Surviving Economic Abuse[20], to support affected clients. However, while specialist support for victim-survivors has expanded in recent years, demand continues to outstrip provision.

Energy Debt Referral Pathways
Emerging partnerships between energy suppliers and advice agencies are helping many households in energy debt to access specialist support. StepChange, National Debtline and Business Debtline have established referral partnerships with energy providers to provide energy advice and account health checks.

In addition, the **Consumer Energy Debt Advice (CEDA)** scheme—launched by **Citizens Advice** is intended to offer holistic support to households and small businesses struggling with energy debt.

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18 https://www.demsa.co.uk/

19 https://www.wearegroup.com/

20 https://survivingeconomicabuse.org/

5. The debt advice sector by client demographics

When creditors refer customers to debt advice, the choice of provider can make a significant difference to engagement and outcomes. The debt advice sector is diverse with each provider serving different client profiles, offering distinct support models, and a variety of channels. Knowing these differences helps creditors make informed decisions on referrals that meet their customers' needs and reduce drop-out rates.

The table below summarises six prominent debt advice providers highlighting variations in average debt levels, access channels, and support models.

For example, providers like CAP and Citizens Advice typically support households in severe financial hardship, where income is below the poverty line, with a greater proportion of negative budgets. These clients may need intensive, face-to-face support and holistic interventions beyond debt solutions, such as benefits advice and community support. On the other end of the spectrum, PayPlan, StepChange, Money Wellness and National Debtline serve a broader demographic, including homeowners and higher earners, and often use digital tools combined with adviser support to deliver debt solutions.

This matters for referrals, because matching the right client to the right advice provider can significantly improve engagement and outcomes. A customer who prefers digital channels and has significant unsecured debt may be better served by StepChange, PayPlan or National Debtline while someone in crisis with multiple vulnerabilities may need Citizens Advice, CAP (who do home visits), or other community-based support. Understanding these differences helps creditors avoid referral fatigue, reduce drop-out rates, and demonstrate good practice in supporting customers fairly and effectively

Comparison Table: The largest Debt Advice Providers and client demographics

Provider	Average Debt	Deficit budgets	Access Method	Primary support model
Christians Against Poverty (CAP)	£12,260	47%[21]	Face-to-face via local churches, home visits	Specialist casework with personalised home visits and ongoing community-based support.
Citizens Advice	£8,627	50%	Mix of face-to-face and phone, some digital tools	Wrap around support, advice including benefits and housing. Representations to creditors, courts, and enforcement agents
National Debtline	£11-12,000	43% [22]	Phone-based advice, webchat, online self-help tools	Assisted self-help focus with adviser support
Money Wellness	£10-15,000 [23]	40-50%	Online or phone; flexible channel switching	End-to-end debt support
PayPlan	£13,000 [24]	40%	Online tool, phone, live chat, WhatsApp	Tech enabled debt advice vulnerability support
StepChange	£17,000 unsecured[5]	28% [25]	Digital-first: 61% online-only, 24% mixed online/ phone	Tech-enabled debt advice
Business Debtline	£49,900 (business debts)	51% [26]	Phone, webchat, online support tools	Specialist advice and viability assessment for self-employed and small businesses;

Not all debt advice services are the same. Understanding client needs, preferred channels, and support models can help creditors make more effective referrals and achieve better outcomes for customers. Figure 2 illustrates the key takeaways for creditors

Figure 2

Key Takeaways for Creditors

1. Referral accuracy matters
Matching clients to the right provider improves engagement and reduces drop-out rates.

2. Channel preference is key
Referral channel matters. Some clients prefer telephone or digital services such as StepChange, PayPlan, National Debtline or Money Wellness, while others benefit from community-based support such as CAP or Citizens Advice.

3. Income and complexity vary
Higher-income clients with significant unsecured debt are likely to need a scalable debt solution; lower-income clients often require holistic support including benefits advice.

4. Demonstrates good practice
Thoughtful referrals align with regulatory expectations for fair treatment and positive customer outcomes.

21 https://capuk.org/about-us/policy-and-research/deficit-budgets-the-cost-to-stay-alive

22 https://moneyadvicetrust.org/latest-news/national-debtline-and-business-debtline-help-more-people-than-ever-before-as-cost-of-living-pressures-continue/

23 https://maps.org.uk/en/media-centre/press-releases/2025/debt-advice-funded-by-maps-helps-boost-income

24 https://www.payplan.com/wp-content/uploads/2023/05/Example-Monthly-Demographic-pack.pdf

25 https://www.stepchange.org/media-centre/press-releases/stepchange-impact-report-2024.aspx

26 https://moneyadvicetrust.org/wp-content/uploads/2024/09/Money-Advice-Trust-Broken-Budgets.pdf

6. How debt advice is funded

How Debt Advice Is Funded

In the UK, Debt advice is delivered through a mixed funding model, combining public, industry, and charitable funding. For creditors, understanding this landscape helps explain both how free debt advice is sustained and the role that different sectors play within it .

A blended funding system

Debt advice is funded via a combination of:

- Statutory levy funding disbursed via MaPS for England
- Local authority and devolved government funding (Scotland, Wales, and Northern Ireland)
- Voluntary contributions from creditors, including financial services, energy, and water companies
- Charitable grants and trusts

Levy-funded debt advice (MaPS)

MaPS is the principal public funder of free debt advice in England. Our funding is the government's strategy for targeting those most in need and at maintaining core service capacity.

- MaPS is funded through a statutory levy on financial services firms and pension schemes, collected under FCA rules
- We commission a range of national and community-based services, a central hub to administer Debt Relief Orders (DRO) and other targeted support including access to Mental Health Crisis Breathing Space and a Debt Advice Modernisation fund (funded by HMRC)
- Levy funding represents around a quarter of total sector funding, but plays a central role in ensuring national coverage and consistency

Creditor funding (including financial services, energy, and water)

Creditors are a major source of funding for debt advice, particularly for large national providers.

- Many creditors make voluntary donations to support free advice services
- A common mechanism is the **Fair Share Contribution (FSC) model**, where creditors contribute a proportion of repayments received towards unsecured arrears via Debt Management Plans (DMPs)

Energy sector contribution

Energy suppliers play a significant role by:

- Providing direct funding and partnerships with debt advice providers, helping to expand access to free advice (for example, funded partnerships with organisations such as StepChange, National Debtline or community-based providers)
- Supporting outreach and embedded services, including joint initiatives to reach financially vulnerable households

Water sector contribution

Water companies also contribute, although typically in different ways:

- Funding charitable trust funds and hardship schemes that help customers manage or clear water debt
- Supporting affordability schemes, such as social tariffs and bill reduction programmes
- Providing grants and debt relief mechanisms, often linked to engagement with budgeting or debt advice [27]

27 https://www.ccw.org.uk/save-money-and-water/help-with-bills/

Devolved government and local authority funding

Devolved governments in Scotland, Wales and Northern Ireland and many local authorities play an important role by funding advice services, particularly in community settings.

- Funding is often linked to housing, council tax, and local welfare priorities
- It supports face-to-face and locally tailored provision, often delivered through Citizens Advice and other providers

This helps ensure accessibility for people with complex or locally specific needs.

Charitable and philanthropic funding

Debt advice providers also receive support from:

- Charitable foundations
- Lottery funding
- Corporate social responsibility programmes

This funding is typically used to pilot new approaches, deliver specialist services, and support innovation.

Why this matters for creditors

Creditors are integral to the debt advice ecosystem. Their contributions:

- Help sustain free, independent advice for customers in financial difficulty
- Support earlier intervention and better repayment outcomes
- Enable a more coordinated system, linking billing, support schemes, and professional advice

The combination of funding, creditor support schemes and effective referral pathways can significantly improve repayment outcomes for both customers and creditors.

7 Debt advice drives better outcomes for creditors

Creditors who take a collaborative approach with debt advice agencies increasingly recognise the importance of responsible and supportive debt collection practices. This includes signposting customers to independent sources of regulated debt advice when appropriate.

Closer engagement with debt advice agencies has led to a range of **tangible benefits** for creditors, intricately linked to improved outcomes for customers. These benefits span financial recovery, operational efficiency, regulatory compliance, and customer experience.

Debt Prioritisation

Customers who seek independent debt advice receive impartial guidance on the correct order in which to repay their debts. Debt advice agencies consistently prioritise repayment of **priority debts** due to the serious consequences of non-payment. These typically include:

- Mortgage repayments and loans secured on a property
- Rent arrears
- Council Tax owed to local authorities
- Income Tax and other taxes owed to HMRC
- Benefit overpayments owed to central government
- Gas and electricity arrears
- Court-ordered payments
- Child maintenance obligations
- Phone and broadband

Debt advisers will always recommend that repayments to priority creditors—including arrangements to clear arrears—are made before payments to **non-priority debts**, which generally carry less severe consequences. Examples of non-priority debts include:

- Credit card balances
- Buy Now Pay Later (BNPL)
- Unsecured personal loans and payday loans
- Catalogue debts
- Some hire purchase agreements
- Informal loans from friends or family

Benefits to Priority Creditors

Priority creditors who refer customers to debt advice agencies can be confident that their debts will be appropriately prioritised. Agencies confirm that it is acceptable to agree a reasonable repayment arrangement toward priority arrears before referring the customer for advice. Where income allows, advisers will aim to incorporate these arrangements into the customer's budget.

For customers with **multiple priority debts**, referral to impartial debt advice is especially important. These debts are generally not included in Debt Management Plans (DMPs), so skilled advisers help clients assess which debts to address first and explore suitable repayment strategies. Advisers also explain the consequences of non-payment and the full range of available options.

Benefits to Non-Priority Creditors

Non-priority creditors also benefit significantly from working with debt advice agencies. While they understand that priority debts must be addressed first, they also recognise that:

- Payments received are more **sustainable**, reducing the likelihood of broken arrangements
- Customers are more likely to **rehabilitate their finances** and regain financial stability
- Repayment offers are based on **holistic, objective, and impartial assessments** of disposable income
- It can improve debt sale value by **stabilising accounts with structured, affordable repayments**, such as via a DMP, making portfolios more attractive and predictable for buyers.

Wider Benefits of Collaboration

Creditors who actively support and trust debt advice agencies report a range of strategic and operational benefits:

Financial and Operational Benefits

- **Improved recovery rates** – Customers receiving structured advice are more likely to make consistent payments, even if at reduced levels.
- **Reduced debt collection costs** – Fewer outbound calls, letters, texts, and home visits are needed to chase missed payments.

- **Lower enforcement costs** – Sustainable arrangements reduce the need for litigation or enforcement, which can be costly and often passed on to the customer.
- **Resource efficiencies** – Less intensive collection activity allows staff to be redeployed to other areas of the business.

Customer-Centric Benefits

- **Income maximisation** – Customers receive help to claim full entitlement to benefits and tax credits, potentially increasing their ability to repay debts. Some may also access grants or support schemes.
- **Reduced risk of re-default** – Addressing the root causes of financial distress helps customers avoid falling back into arrears.
- **Improved mental wellbeing** – Debt advice has been shown to reduce stress and anxiety, improving customer engagement and payment behaviour.
- **Support for vulnerable customers** – Debt advisers are trained to identify and support vulnerable individuals, helping creditors meet regulatory expectations.

Strategic and Reputational Benefits

- **Regulatory alignment** – Collaboration supports compliance with FCA guidance on treating customers fairly and supporting those in financial difficulty.
- **Reputational gains** – Creditors who support affordable repayment plans and collaborate with the debt advice sector are viewed as responsible and customer-focused.
- **Customer engagement and loyalty** – Customers who feel supported are more likely to maintain payments, return for future services, and recommend the creditor to others.
- **Contribution to financial inclusion** – Supporting debt advice helps customers regain access to mainstream financial products and services over time.

When creditors and debt advisers work together, customers receive tailored support and repayment arrangements that are more likely to succeed. Figure 3 below illustrates how this creates a virtuous cycle of better outcomes for both customers and creditors.

Figure 3

A collaborative cycle that drives sustainable repayment, lower costs and better outcomes for everyone.

Debt advice doesn't reduce recovery. I It improves the likelihood of sustainable recovery.

This case study from Wessex Water also describes how debt advice has complemented their debt collection process:

Wessex Water – How debt advice interventions have generated sustainable repayments

Wessex Water are supporting around **90,000** customers on low incomes through their tailored assistance programme **tap**. This programme offers customers a range of schemes and low-rate tariffs to help them afford their ongoing water charges and repay their debt, along with practical help to reduce water and energy bills.

Water companies do not have contracts with their customers, and they are unable to disconnect the water supply for non-payment. Moreover, Wessex Water customers with water arrears usually have multiple debts with multiple creditors.

This is why Wessex Water has developed partnerships with debt advice agencies to help assess a customer's ability to pay their debts. Customers in financial difficulty are warm-transferred or sign-posted to independent debt advice agencies. Debt advisers provide customers with impartial advice, income maximisation, produce a Standard Financial Statement based budget and refer back to Wessex Water with a sustainable offer of repayment.

Crucially, Wessex Water provides debt advice agencies with a dedicated number for their financial hardship team.

Wessex Water introduced its debt support scheme, **Restart**, in 2004. The scheme helps the customer back on track, into a regular payment habit going forward, and can be combined with a low-rate tariff for ongoing charges.

Currently, Wessex Water are supporting **over 14,000** customers via their water Restart scheme but have helped thousands more in the last 21 years.

If the customer makes regular payments in Year 1, Wessex Water match the amount in a debt write-off.

In Year 2, if the customer maintains payment, Wessex Water will write off the remainder of the debt.

Customers are then water-debt-free and continue to pay their ongoing charges.

Wessex have found that **90%** of customers that complete the **Restart** scheme have gone on to maintain up-to-date payments of their regular water usage.

8. Strengthening Creditor referrals to debt advice

Creditors have multiple touchpoints with customers experiencing financial difficulty, via telephone, digital channels, mobile apps, and social media. Modern referral strategies should prioritise speed, simplicity, and individual choice, ensuring that those with debt worries access free, regulated debt advice through the channel that suits them best. Referrals not only help people regain control of their finances but also complement creditor debt collection by dealing with someone's holistic debt situation (not just one debt) improves engagement, reducing broken arrangements, and supporting sustainable repayments.

What is a Debt Advice Referral?

A debt advice referral is the process by which a creditor pro-actively connects a customer to a free, independent, FCA-regulated debt advice service. This can be achieved through:

- Warm transfer (phone or video) during a live conversation.
- Immediate or scheduled callback arranged via a secure referral form.
- Digital referral through apps, websites, or chatbots.
- Signposting to trusted partners or the Moneyhelper Debt Advice Locator (DALT)Tool.[28]

The referral should be simple, secure, ensure customer consent is captured, and the customer understands what will happen next.

When Should Creditors Refer?

Creditors should consider referring the customer to debt advice when there are one or more of the following triggers:

- Persistent arrears or missed payments, indicating financial stress.
- The customer signals concern about their 'ability to pay'
- Multiple debts or complex financial circumstances are disclosed.
- Vulnerability indicators are present (e.g., health issues, bereavement, job loss).
- Broken payment arrangements suggesting unsustainable commitments.
- Financially impacting life events such as redundancy, separation, or reduced income

Best practice is to refer early, before the arrears escalate, and to embed consistent referral prompts throughout all channels, letters, calls, apps, and website, to normalise seeking help. The following case study featuring Natwest and Payplan, is a good example of this:

NatWest and PayPlan – modernising referrals across multiple channels

NatWest has traditionally relied on signposting or warm transfers to debt advice, but those methods are telephone based when many customers are now turning to digital and self-service.

Therefore, NatWest Group and PayPlan have worked in partnership to modernise customer referrals, creating an omnichannel approach with the following options:

1. **Voice support via Referral Hub** – a customisable tool which enables NatWest agents to instruct PayPlan to call the customer back at a date or time that suits them or ask PayPlan to begin a WhatsApp journey with the customer. This puts the onus to engage on PayPlan, rather than the customer and removes the pressure of an immediate transfer. To improve colleague engagement, PayPlan completed in depth, on-site training sessions with all NatWest agents to equip them to have these referral conversations.
2. **Online support via website, app, and chat** – NatWest customers can access PayPlan support directly via a co-designed 'struggling financially' section on the NatWest website. Customers can arrange for PayPlan to call them back or start a PayPlan digital journey without speaking to a NatWest agent. Seamless referrals are also available via the NatWest app and via the Cora chatbot.
3. **One-touch referral from a digital income and expenditure** – NatWest customers can be transferred seamlessly from the NatWest digital I&E to PayPlan. This seamless API referral transfers the customer's contact details and completed budget to PayPlan, avoiding the need for the customer to repeat the I&E process.

Measuring success

Through analytics and customer feedback, NatWest have been able to demonstrate:

- Significant uplift in customer engagement with debt advice.
- NatWest colleagues scored PayPlan's training 9/10.
- 96% of customers felt calmer and reassured at the end of the debt advice journey.
- 96% of customers felt more confident about managing their money after speaking to PayPlan.
- +75 Net Promoter Score from customers referred by NatWest

Peter Munro, Chief Growth Officer at PayPlan: "Creditors are often the first people to spot the signs that a customer needs debt-help but struggle to engage customers with the appropriate support. NatWest have responded to this challenge with a fresh collaborative approach and in our view successfully re-defined what 'best practice now looks like for the debt advice customer journey."

Understanding the drivers and barriers to people accessing debt advice

In 2023, MaPS research into the motivations and barriers of debt advice [29] found that embarrassment, shame, and feeling overwhelmed are the biggest barriers to seeking debt advice, alongside misconceptions about what advice offers and fear of losing control. People often disengage even after starting the process, so interventions that simplify the journey, reframe advice as financial wellbeing, and provide early, empowering touchpoints are most effective.

For creditor referrals, this means positioning advice as a positive step, offering clear and flexible engagement options, highlighting tangible benefits, and building trust through reassurance and transparency, ultimately making referrals feel supportive rather than punitive. We recommend that creditors review the full report for more detail.

Moreover, research by the University of Bristol's Personal Finance Research Centre [30] highlights that referral pathways are often complex, with many people being referred between multiple organisations before accessing the support they need. The research identified six characteristics of effective referral pathways: identifying referral needs early, ensuring people understand why they are being referred, making referrals at the right time, creating smooth referral journeys, ensuring referrals are appropriate, and using feedback to continuously improve outcomes.

29 https://maps.org.uk/en/publications/research/2023/motivations-and-barriers-to-seeking-debt-advice

30 https://www.bristol.ac.uk/geography/research/pfrc/themes/credit-debt/debt-advice/joined-up/

Principles of a Modern Referral Strategy

Digital-First, Omni-Channel Access

Creditors should embed referral pathways everywhere customers engage. Ideally, this should be a one click referral from websites, portals, and mobile apps using secure APIs. The below case study from Stepchange and Very Group is a good example of this

Referrals can be offered via timed prompts (e.g. pop-ups, push notifications) triggered by risk indicators such as missed payments, bounced direct debits, or repeated customer visits to "money worries" website content.

'Social signposting' can be offered via social media channels to expand visibility and reach.

Where possible a referral should involve sharing an SFS I&E to avoid the customer having to complete again. Again, the Natwest, Payplan case study above is a good example of this.

The Very Group and StepChange - digital referrals to debt advice

The Very Group operates digital retailers Very and Littlewoods, and offers products including fashion, home, and electrical goods. Its business model combines online retail with flexible payment options, allowing customers to spread the cost of purchases over time.

Very customers are typically digitally engaged, prefer managing their finances online, and often disengage from traditional channels such as telephony. This has led to missed opportunities to identify financial difficulty early and connect customers with support.

The Solution

The Very Group introduced a digital collections platform, working with StepChange to implement **StepChange Direct**, a digital referral pathway into debt advice as part of the journey.

StepChange Direct acts as the online equivalent of a warm transfer to move customers seamlessly from Very's self-serve collections platform into digital debt advice support.

This enables customers to access free, impartial debt advice at the point financial difficulty is identified, without needing to pick up the phone. Customers can start their journey online, proceed at their own pace and access additional telephone support from advisers if and when they need it.

StepChange supported the implementation by designing clear, supportive messaging, aligning referral points with customer behaviour, and delivering staff awareness sessions.

Impact

At the time of publication, 118 customers have been referred so far, with further growth expected as the approach is refined—driven by greater reach, consistency, trust, accessibility, and alignment with fair treatment expectations.

StepChange Direct helps partners like Very connect customers to the right support early, embedding simple, seamless referrals that provide a clear, frictionless route into free, impartial debt advice aligned to how customers want to engage - *Vanessa Northam, Partnerships Director, StepChange Debt Charity*

StepChange supported the development of our digital collections platform by embedding well-placed referral links throughout the journey, ensuring customers can easily access debt advice without needing to speak to an advisor -*Jacqui Sherrington, Financial Services Manager – Third Party Relationships, The Very Group*

Telephone Warm Transfers

A warm transfer is when a creditor directly connects a customer to a debt adviser during the same call, rather than simply providing contact details. This approach ensures immediate support, reduces the risk of the customer delaying or avoiding help, and allows debt advisers to start working on solutions straight away.

Warm transfers can improve engagement for some customers, while others may be more likely to engage through a planned callback at a time of their choosing.

Flexible callbacks

A flexible callback from a debt adviser can be effective when the customer cannot engage in a detailed conversation immediately perhaps due to time constraints, being at work, or needing to gather financial information before speaking to an adviser. It may also help when customers feel overwhelmed at the reality of their debt situation, giving them space to process and prepare for the discussion. For example, the Money Adviser Network (MAN)[31], run by MaPS, allows creditor partners in England to arrange an immediate or scheduled callback from a MaPS funded debt adviser.

Face-to-face or in person

A referral to in person debt advice may be needed when remote support isn't suitable due to the customer's circumstances. The customer may lack digital access or confidence using technology, have language or communication barriers, or require additional support due to mental health challenges or cognitive impairments. In-person advice can also be essential for customers who feel overwhelmed or anxious and need a more personal, reassuring environment, where reviewing documents and providing tailored guidance is easier in person.

The self-employed

Self-employed customers often face uneven incomes, personal guarantees on business debts, and intertwined personal and business finances. The self-employed should be referred to specialist sources of debt advice which is provided by Business DebtLine (BDL). Payplan[32] and StepChange [33]. The below case study featuring E. ON Next is a good example:

E.ON Next and Business Debtline – supporting the self-employed with business energy debts.

E.ON Next partner with Business Debtline (run by the charity The Money Advice Trust) to provide a dedicated referral pathway to free, independent debt advice for self-employed people and small business owners. The initiative was designed to help business energy customers manage problem debt and navigate complex financial challenges.

The partnership enables E.ON Next to refer customers directly to Business Debtline for tailored advice on business energy bills and wider financial issues. Typically, this approach has led to more sustainable repayment arrangements for customers and E.ON Next.

Impact and insight

- Starting in 2022, the partnership has so far supported over 2,500 small businesses and self-employed people.
- Common challenges include deficit budgets and significant energy arrears.
- Close collaboration - through regular meetings, call listening, and shared insights - has strengthened referral quality and deepened understanding of the pressures facing small businesses.
- In 2025 alone, Business Debtline have supported E.ON Next customers with more than £4 million of energy debt.

Sean Murray, Head of Affordability and Vulnerability at E.ON Next
"Full debt advice as part of our collections journey empowers business customers to address their entire financial situation, not just energy debt. This leads to more accurate budgets and sustainable repayment plans."

Ian Robinson, Head of Corporate Partnerships at the Money Advice Trust
"The success of the partnership comes from close collaboration and shared insights, which ensures E.ON Next customers get quick access to effective debt advice when they need it. We've already expanded our partnership to include referrals to our National Debtline service, supporting over 11,000 people and small businesses in 2025. We plan to build this partnership even further to support more customers with a specific focus on those at risk of fuel poverty."

Matching Customers to the Right Debt Advice Channel

The debt advice sector offers a range of delivery models, including digital, telephone, and community-based (face-to-face) support. Each plays a vital role, and no single approach is suitable for all circumstances.

National digital and telephone providers can offer rapid, scalable access to advice and are often well suited to customers who are able to engage remotely and progress their situation independently. They are particularly effective where a managed debt solution is likely to be required (for example, a Debt Management Plan), providing structured pathways to resolve debts in a

31 https://maps.org.uk/en/our-work/our-debt-work/pace

32 https://www.payplan.com/debt-info/self-employed-debt-help/

33 https://www.stepchange.org/debt-info/self-employed-debt-advice.aspx

coordinated way.

However, these models do not typically provide ongoing casework, advocacy, or direct negotiation with multiple priority creditors on the customer's behalf.

Some customers require more intensive, personalised support. Community-based debt advice providers (such as local Citizens Advice, local authority teams, and independent advice charities) are often best placed to support customers who:

- Have **complex debt situations**, including multiple priority debts or enforcement action
- Require **casework, ongoing advocacy, or thirdparty representation with creditors**
- Are experiencing **vulnerability**, including health issues, economic abuse, or significant life events
- Are **digitally excluded or lack confidence** using online or telephone channels
- Need **wrap around support**, such as help with housing, benefits, or wider social issues

In these cases, referral pathways could prioritise access to community-based or face-to-face support, where advisers can provide "handholding," coordinate multiple issues, and engage directly with creditors on the customer's behalf.

Referring all customers to a digital or telephone provider is unlikely to meet the needs of those with complex or vulnerable circumstances.
Where a customer may benefit from face-to-face support, creditors should not rely solely on digital referral pathways.

Creditors should actively support customers to access local, community-based advice services where appropriate.

A simple way to do this is by using the **MoneyHelper Debt Advice Locator Tool**[34] which helps identify trusted, free, and regulated local services:

For creditors, this means:

- **Understanding the customer's individual needs and circumstances** before making a referral, so the support channel is appropriate—not just efficient.
- **Recognising when advocacy or casework is required**, particularly for priority debts or enforcement cases
- **Actively helping customers find local support**, including signposting or guiding them to the MoneyHelper locator tool
- **Offering a choice of advice providers**, including community-based services
- **Avoiding a 'one-size-fits-all' referral approach**, especially for customers with complex or vulnerable circumstances

34 https://www.moneyhelper.org.uk/en/money-troubles/dealing-with-debt/debt-advice-locator

FIGURE 4 below provides a simple decision framework to help creditors match customers to the most appropriate type of debt advice at the point of referral.

FIGURE 4

Choosing the Right Debt Advice Referral Pathway

Match the type of support to the customer's needs at the earliest opportunity

STEP 1
Trigger

Customer shows signs of financial difficulty | Missed payments/ arrears | Difficulty paying | Multiple debts disclosed | Change in circumstances

STEP 2
What best describes the customer's situation?

A. DIGITAL/ TELEPHONE ADVICE	B. COMMUNITY-BASED ADVICE	C. OFFER CHOICE (MIXED/ UNCLEAR NEEDS)	D. SELF-EMPLOYED/ BUSINESS DEBT
• Non-priority debts • Likely need for a managed debt solution (e.g. DMP) • Comfortable engaging online or by phone	• Multiple priority debts or enforcement action • Needs casework, advocacy or representation • Vulnerability or major life event Digitally excluded or lacks confidence online	• Early-stage difficulty • Some complexity but customer can engage • Unsure which type of support is most appropriate	• Self-employed or small business • Business and personal finances linked • Variable or irregular income • Business or tax debt
Refer to national digital/ telephone provider (e.g. StepChange, PayPlan)	**Refer to local, face-to-face community-based advice** Use MoneyHelper Debt Advice Locator to find trusted local services moneyhelper.org.uk/en/money-troubles/dealing-with-debt/debt-advice-locator	**Offer both options and help the customer choose**	**Refer to specialist business debt advice** (e.g. Business Debtline)
Structured solutions delivered at scale	**Advisers can provide casework, advocacy and support directly with creditors**	**Empower customers to choose the support that's right for them**	**Specialist advice for business related debt and affordability**

STEP 3
Make the referral

Offer channel of choice where appropriate | **Support access (warm transfer/ clear signposting)** | **Explain what happens next** | **Capture consent if needed**

KEY PRINCIPLES FOR CREDITORS

- **Match referral to customer need, not channel, convenience**
- **Do not rely solely on digital pathways for complex cases**
- **Recognise when advocacy and casework are required**
- **Use the MoneyHelper locator to find local community services**
- **Review and adapt if engagement is unsuccessful**

If unsure
Use the MoneyHelper Debt Advice Locator to help the customer identify the most appropriate local service.

Responsible Referral Guidelines

Debt advice referrals work effectively when they are culturally embedded within a creditor organisation, supported by leadership, reinforced through training, clear communications, and monitored through quality assurance. Figure 5 below provides a checklist to ensure referrals are fair, transparent, and focused on positive outcomes for customers:

Figure 5

Responsible referral checklist

1. Put Customers First

Refer only when debt advice is appropriate, avoiding referrals where debt advice won't resolve the problem, such as a balance dispute.

2. Be Transparent and Impartial

Explain why the referral is being made, confirm the advice is free and independent of the creditor.

3. Enable channel of choice

Offer flexible options (warm transfer, callback, face-to-face) and allow customers to choose their preferred advice provider.

4. Embed in Culture and Governance

Make referrals part of organisational culture, championed by leadership, supported by training and communications, and monitored through quality assurance.

5. Protect Data, Gain Consent

Obtain the customers explicit consent for the referral, before sharing any information, and explain clearly how the customer's data will be used.

3. Work collaboratively with ALL debt advice agencies

Creditors should cooperate with the customers chosen debt adviser and consider payment proposals, even if they are not the preferred referral partner.

The following case study is a good example of how EE have embedded debt advice referrals within the customer service and debt collection culture:

EE - leading the way by partnering with the MaPS run Money Adviser Network (MAN)

EE offers superfast mobile and broadband connections and is committed to offering first-class service to its 20 million UK customers.

To support customers facing financial challenges, EE has partnered with the Money Adviser Network (MAN). MAN is run by MaPS and is a government-sponsored partnership that enables creditors to refer customers in England seamlessly to MaPS funded, independent debt advice. EE is the first telecommunications provider to join MAN as a referral partner.

How the Referral Process Works

EE has embedded the MAN referral pathway directly into its customer contact centres. EE guides are trained to recognise when a customer is experiencing financial difficulty and explain the benefits of seeking early debt advice. When a customer misses a payment, guides - via phone or online chat - work with them to understand their situation. A short series of structured questions helps determine eligibility; if criteria are met, the customer is immediately connected to the Network for specialist debt support.

Unlike traditional signposting, this warm referral process transfers customers directly to MAN advisers, ensuring they receive support as quickly as possible. To further ease the process, EE places the customer's account on hold for 30 days, giving them time to engage with debt advice services without added pressure.

Deployment and Impact

- The referral process is live with 400 frontline guides based in Darlington and North Tyneside
- Since its rollout in June 2022, EE's mobile division has generated over 23,000 referrals, with 650–700 referrals now being made per month, helping thousands of customers access free debt advice.
- EE continues to refine its referral strategy, focusing on training for its customer service agents and identifying the optimal moment for referral across the customer journey.

By embedding the referral process across its UK and Ireland contact centres, EE has trained guides to identify and support financially vulnerable customers. This initiative demonstrates EE's commitment to supporting its customers when they face financial difficulty and ensuring they can access the help they need.

Nick Lane, EE's Managing Director for Sales and Services said "Being the first telecoms provider to partner with the Money Adviser Network was a deliberate decision for us. We know that financial difficulty can affect anyone, and our role is to make it as easy as possible for EE customers to access the right support at the right time. By investing in ongoing training and coaching for our frontline teams, we've made debt advice referrals part of how we care for customers every day."

Becoming a referral partner to the Money Adviser Network (MAN)

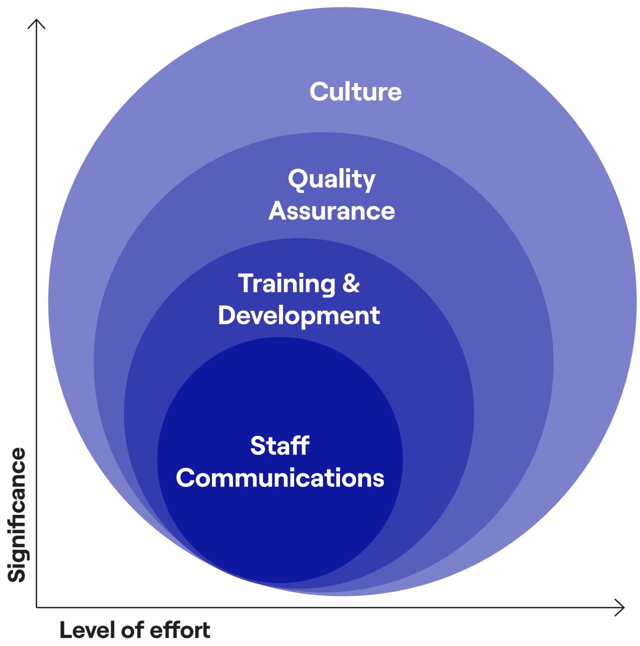
Organisations interested in referring to the MAN should enquire via **EnglishPartnershipsTeam@maps.org.uk**

Figure 6 below illustrates that successful debt advice referrals are not driven by process alone. While staff communications are important, long-term success depends on progressively stronger foundations through training and development, quality assurance, and ultimately an organisational culture that recognises the value of debt advice referrals and supports them consistently across the customer journey.

Figure 6

The model emphasises that embedding referral practices requires increasing levels of organisational commitment and effort. Creditors that invest in leadership support, staff capability, quality monitoring, and cultural change are more likely to achieve consistent referral behaviours, improved customer engagement, and better outcomes for both customers and creditors.

Strategy for embedding debt advice referrals



Should creditors receive feedback on referrals?

Where a pro-active referral / funding arrangement exists, a feedback loop may be helpful to improve outcomes and strengthen collaboration, but it is not a regulatory requirement. Feedback helps the creditor understand what to do next in terms of debt collection activity, including how best to provide ongoing support to the customer. Examples of why this may be helpful include:

- **Measuring Success and Improving Outcomes**
  Understanding if referrals lead to meaningful engagement and sustainable repayment plans, helping customers regain financial stability.
- **Enhancing the Customer Experience and Appropriateness**
  To ensure the referral process is clear, supportive, and targeted to customers who genuinely need debt advice, avoiding unnecessary referrals.
- **Strengthening Partnerships and Driving Improvement**
  Opening dialogue with advice agencies helps identify barriers, refine processes, and embed best practice through training and communication.

Creditors and debt advice agencies should mutually agree whether customer level or aggregated feedback is required to achieve the desired outcomes

9. Ability to pay and The Standard Financial Statement (SFS)

Creditors who understand a customer's ability to pay their debts are more likely to negotiate fair and sustainable repayment arrangements, reduce defaults and enforcement costs, while improving reputational trust and customer engagement.

Ability to pay can be assessed directly by the creditor, using income and expenditure (I&E) tools or in partnership with the debt advice sector where advisers provide an impartial assessment which may include an offer of repayment.

Creditors can use this guidance to develop and embed their own internal policies and processes, tailoring to their specific debt recovery context.

In this section, we cover:

- Assessing a customer's ability to pay and using this to agree fair, affordable and sustainable repayment arrangements.
- Recognise and use the Standard Financial Statement (SFS) as the standard framework for recording income, expenditure and debt.
- Applying the SFS Spending Guidelines appropriately, recognising them as benchmarks rather than fixed limits.
- How to respond consistently to an SFS submitted by a debt adviser, including when further information or clarification may reasonably be required.
- Supporting customers with deficit budgets, including token payments, proportionate forbearance and appropriate review points.
- Embedding the SFS within internal policies, processes and digital tools to reduce duplication and improve decision-making.
- Working constructively with debt advisers, using clear feedback and shared learning to improve repayment sustainability and customer outcomes.

This guidance applies to personally liable debts owed and does not apply to debt that occurs as a result of fraud or criminal activity.

The SFS is the primary tool used to capture income and expenditure information by debt advisers in England, Wales, and Northern Ireland, whereas the Common Financial Tool is used in Scotland. This guidance refers only to the SFS and is not extended to other I&E formats.

What is the SFS?

The SFS is a nationally recognised format for recording an individual's income, expenditure, and debt. Developed by MaPS in collaboration with creditors, advice agencies, and trade bodies, it provides a consistent and objective framework for assessing ability to pay. The SFS is the standard across the regulated debt advice sector in England, Wales, and Northern Ireland. It is utilised both for informal negotiations as well as being used by the insolvency services for Debt Relief Orders, Bankruptcy, and the IVA protocol. The only exception is in Scotland where the CFS is still utilised. Figure 7 summarises the SFS

Figure 7

Identifying the SFS

The SFS is distinguishable from other I&E formats by its:

1. Licensed usage: Each statement produced during the debt advice process will include the name and licence number of the organisation that completed the statement with the customer.	**2. Standardised layout:** A two-page A4 document with clearly defined sections for income, fixed costs, flexible costs, priority and on-priority debt repayments, and savings.	**3. Spending guidelines:** Benchmarks based on ONS data for low-income households.	**4. Savings category:** The option to save a small amount during a repayment plan to build financial resilience.	**5. Comprehensive usage:** The SFS is used by over 2000 licenced debt advice organisations in England, Wales, and Northern Ireland.

Applying for SFS membership

MaPS recommends that creditors that handle SFS payment offers from debt advice agencies should apply for a free licence [35] provides access to the spending guidelines and other resources.

The role of MaPS

MaPS will:

- Advise SFS members of updates to the SFS Spending Guidelines on an annual basis
- Provide ample notice and support to SFS members when structural changes are being made to the SFS (such as changes to the categorisation)
- Maintain all SFS resources and provide access to these resources to any SFS member through the SFS website.
- Provide a service to any SFS member that identifies issues in SFSs being received from the debt advice sector.

Understanding the SFS Spending Guidelines

The SFS divides expenditure between *fixed costs* and *flexible* costs.

Fixed costs cover essential bills like rent, council tax, and utilities, as well as regular expenses such as insurance, transport, travel, and care or health-related costs. The full list of fixed costs can be found on the SFS website. If a household is in arrears on essential bills, the 'fixed costs' section will only record their ongoing bills and current payments. Any arrears, along with related payment arrangements, will be included in the 'priority debt' section.

Advisers recognise that these fixed costs cannot be easily or quickly changed but will discuss with clients when they believe their level of expenditure ought to change. This might occur if a customer could benefit from a better energy tariff, or they notice that a customer is underpaying their council tax and needs to increase this expenditure. However, it is generally recognised that, in most cases, the customer's inability to alter these fixed costs means creditors should not dispute them.

Flexible costs are broken down into three categories

- Food and Housekeeping
- Personal Costs
- Communications and Leisure

Each of these categories has its own spending guideline.

The spending guidelines within the SFS are derived from the Living Costs and Food Survey (LCF) conducted by the Office for National Statistics (ONS). They reflect typical expenditure for households in the bottom income quintile and are adjusted using the Consumer Price Index (CPI) for historical inflation and then the Bank of England projections for the anticipated inflation over the upcoming financial year.

These guidelines do not determine what is or is not reasonable, as each household has unique circumstances and may require different levels of expenditure. Instead, the spending guidelines offer a statistical benchmark of what low-income households typically spend. Exceeding the spending guidelines is permitted with reasonable justification, especially in cases of vulnerability, and creditors should be prepared to accept a wide range of circumstances for consideration.

How Debt Advisers Complete the SFS in Practice

The SFS is restricted to authorised organisations who must apply for access with a membership number via the SFS website. The process of completing an SFS typically involves:

1. **Initial engagement**: The advice provider gathers detailed financial information from the client, including income sources, household composition, and household costs. This is done through engagement with the customer and data sources such as Credit Reference Agencies (CRA's) or Open Banking data.
2. **Budgeting discussion**: The advice provider will identify where income can be maximised through benefit entitlements or where spending behaviours may need to change and raise this.
3. **Spending Guidelines**: The budget in relation to the spending guidelines, identifying any areas that may require adjustment. Where a customer's expenditure exceeds the guidelines but is justified, the adviser will provide appropriate explanation for creditors.
4. **Ability to pay and debt solution assessment**: Disposable income is calculated, and acknowledging the wider circumstances of the customer, a debt solution will be considered.
    i. Where feasible, a realistic repayment plan is proposed for creditors. The adviser will distinguish between Priority and Non-Priority debts. To ensure that creditors are treated fairly as well as reducing the likelihood of further enforcement activity. For example, the client would be encouraged to pay fines and taxes at a significantly higher rate than a personal loan.

35 https://standard-financial-statement.maps.org.uk/en/apply-to-use-the-sfs

ii. Where the customer is insolvent different insolvency solutions will be explored considering both eligibility and the impact on the customer.

iii. Where the customer is identified to be in a deficit budget then, as well as exploring insolvency solutions, referrals to charitable support and further income maximisation efforts are made.

5. **Submission to creditors**: The completed SFS is shared with creditors, who are asked to engage with the proposal. If the customer can engage with an insolvency solution immediately then this may not occur as engagement with creditors is built into the insolvency process.

6. **Annual review or change of circumstances**: If the customer enters a managed payment arrangement via the debt advice provider (such as a Debt Management Plan) then the SFS will be reviewed with the customer at least once a year. Any updates are then communicated to creditors.

Principles for a creditors approach to the SFS

Creditors should develop internal guidance, processes and practices for handling the SFS that align with this guidance tailoring it proportionately to their specific debt recovery context. This ensures a common set of principles while allowing flexibility for operational differences.

Key principles:

- **Alignment with national standards**: Internal policies and practices on the handling of the SFS should utilise the code of conduct and guidance of the SFS, recognise its legitimacy when completed with the oversight of a regulated debt adviser.
- **Proportionality**: Guidance should be adapted to the nature, scale, and impact of the debt being recovered. For example, low-value debts may warrant streamlined processes, while higher-value or complex cases may require more detailed engagement.
- **Policy review cycle**: Organisations should review their debt recovery policies and SFS-handling procedures annually, or sooner if there are significant changes to the SFS.
- **Feedback mechanisms**: Organisations should provide prompt, clear, and constructive feedback to the submitting advice provider or customer within 10 working days, confirming whether an SFS has been accepted or rejected. This supports transparency, continuous improvement, and fair treatment of individuals.
- **Commitment to ability to pay**: SFS acceptance should be embedded within a wider organisational commitment to assessing and respecting a customer's ability to pay

Guidance on the Handling of a Received SFS

A customer SFS completed with a regulated debt adviser and submitted to a creditor - whether by the individual or the adviser - should be accepted.

What Does "Accept" Mean?

To "accept" the SFS means creditors:

- Recognise the format and figures as a valid representation of the customer's financial situation.
- Engage with the proposed repayment plan in good faith.
- Use the SFS as the basis for decision-making unless there is a legitimate reason to challenge its accuracy.

In summary acceptance means recognising the SFS as the primary and trusted assessment of the customer's financial circumstances. Creditors should use the SFS as the starting point for decision-making, avoid requesting duplicate information wherever possible, and engage constructively with repayment proposals. Where additional information is genuinely required to inform a decision, creditors should explain why and seek to minimise additional burden on the customer and debt adviser

Creditors may hold additional information about a customer's account history, payment behaviour or previous engagement. Where such information is relevant, it should be considered alongside the SFS to support balanced and informed decision-making."

Acceptance or declines should be documented and accompanied by prompt feedback to the submitting organisation or customer within 10 working days.

Continuous Improvement Through Feedback

Effective use of the SFS relies on trust, confidence and collaboration between creditors and debt advice providers.

Where appropriate, creditors should provide constructive feedback where:

- information is missing
- assumptions appear unclear
- repayment proposals are unsustainable
- circumstances change shortly after submission

Where referral partnerships exist, creditors and debt advice providers should use aggregated outcome data and regular engagement to understand which approaches lead to the most sustainable repayment arrangements. This shared learning can help refine referral processes, affordability assessments, and customer support, improving outcomes for both customers and creditors.

This ongoing feedback loop helps strengthen confidence in the SFS process, improve consistency, and support better customer outcomes.

Token Payments and Deficit Budgets

Where an SFS shows that a customer is in a deficit budget, this means their essential living costs exceed their income and there is **no disposable income available** for debt repayment.

In these circumstances, debt advisers may propose a token payment (often £1 per month) to multiple creditors. This should not be interpreted as an indication of ability to pay. Instead, it is a holding arrangement used to maintain engagement while the customer's situation is stabilised.

For creditors, the following principles should apply:

- **Understand what a token payment represents:** A £1 offer signals that the customer currently has no capacity to make meaningful repayments, rather than a reduced ability to pay.
- **Avoid pressuring for increased payments:** Requesting higher payments where a deficit budget has been evidenced risks pushing the customer further into hardship and undermining essential expenditure.
- **A request to increase a token payment in these circumstances should be treated as a rejection of the SFS assessment.**
- **Use proportionate forbearance alongside the token arrangement**
  This may include pausing or reducing collections activity, suspending interest and charges, and allowing time for income maximisation or debt solutions to be explored.
- **Recognise that token arrangements are typically temporary**
  A token payment is not intended to represent a long-term repayment solution. It is a short-term measure while circumstances are assessed, or change is anticipated (for example, benefit decisions, housing changes, or progression into an insolvency solution).
- **Agree a clear and reasonable review point**
  It is entirely appropriate for creditors to agree **a review date** (for example, 3–6 months or aligned to a known change in circumstances). This ensures the arrangement remains relevant and provides an opportunity to reassess ability to pay if the customer's situation improves.

Taking this approach helps ensure customers are treated fairly, supports regulatory expectations around ability to pay, and creates the conditions for more sustainable engagement if and when circumstances improve.

Exception: When the SFS May Not Be Accepted

Creditors may decline an SFS based repayment offer in certain circumstances, such as:

- If the expenditure stated is above the spending guidelines and no explanation is provided.
- Clear evidence of fraud or misrepresentation.
- Material inaccuracies in the financial data provided.
- Non-compliance with the SFS format (e.g. missing sections, altered guidelines).
- The debt advice organisation name and license number are not included on the SFS.
- Duplicated or outdated submissions where a more recent SFS is available, or the one-year review date has passed.

In most cases these will be simple inaccuracies such as data entry errors. It's advised that these rejections should be documented and accompanied by prompt feedback to the submitting organisation or customer, within 10 working days.

However, where there are concerns about the quality of SFS outputs, fraud, misrepresentation, or any other suspected misuse of the SFS by a licensed provider, MaPS can offer assistance to address the issue.

Exception: When the SFS is Accepted but Further Action May Still Take Place

Some creditors may accept the SFS as a fair account of a customer's situation but still choose to take further action. Acceptance of an SFS should normally result in creditors giving due consideration to the customer's evidenced ability to pay, any known vulnerabilities, and their engagement with debt advice before commencing or escalating enforcement action. It is accepted that an SFS does not prevent enforcement in all circumstances, but creditors should be able to demonstrate that any subsequent enforcement decision is proportionate, reasonable, and informed by the customer's individual circumstances - For example, if a creditor or supplier of debt collection services can demonstrate that a customer possesses assets that could fairly and reasonably be sold to make a settlement towards their debt.

The creditor may decide to pursue enforcement action that is not dependent on the customer's income and expenditure position. Information about the customer's household, as captured in the SFS, should be considered as part of the risk assessment process when considering enforcement action.

If neither of the above situations apply but a creditor continues to request that a customer increase their regular payments beyond the amount determined by the SFS, this would constitute a rejection of the SFS. MaPS cautions against this approach, as it may introduce risks for both the customer and the government organisation. For example:

- The customer may face hardship, potentially having to forgo essentials such as food to meet payment demands.
- Increased payment pressure may worsen vulnerable circumstances.
- Unsustainable payment arrangements may lead to missed payments, reducing returns.
- The costs of additional enforcement action may outweigh any long-term benefits of securing sustained repayments. This is particularly important when considering cases where the customer is in a deficit budget. In these cases, the adviser has been unable to create a sustainable budget within the customers income. While most of these cases will enter an insolvency solution some debts may be exempt. In other cases, the customer may be anticipating a change in circumstances (such as immigration status changes, house sale, or divorce proceedings).

Use of the Standard Financial Statement (SFS) in Debt Collection

Where a creditor requires a detailed understanding of a customer's income and expenditure, the SFS should be used as the standard approach. Examples of this are:

- Setting up or reviewing payment arrangements
- When a customer reports financial difficulty or indicates they cannot maintain current payments
- Considering forbearance measures such as payment holidays

Creditors should use the SFS because it provides a consistent and fair method for assessing ability to pay, aligned with the debt advice sector and helps create realistic, sustainable repayment plans that protect the customers' essential living costs.

How to apply the SFS

SFS members have access to the framework, methodology and spending guidelines and these should be incorporated into the creditors chosen I&E tool. Thereafter:

- Identify immediately if the customer has multiple debts, as a debt advice referral should be offered
- Complete the SFS with the customer
- Gather accurate details of income, expenditure and priority bills and debts
- Validate expenditure against SFS spending guidelines
- Calculate disposable income and set a sustainable repayment plan
- Confirm the plan in writing, with a copy of the SFS and set a review date

Customer-friendly explanation

"Where we need to understand your income and expenditures, we use the Standard Financial Statement. This helps us agree a payment plan that is fair and affordable, without putting your priority bills at risk."

The London Borough of Southwark are an example of a local authority that use the SFS as part of their Council Tax recoveries process:

Southwark Council – Coordinating Multiple Debts into One Affordable Payment

Southwark Council has developed a *Single View of Debt* approach to bring together multiple debts owed by an individual into a single, coordinated recovery process. In a large borough, residents may owe multiple types of debt to the council, including council tax, rent arrears, benefit overpayments, and other service charges. Managing these separately create competing demands, inefficiencies, and increased pressure on residents.

The approach: SFS at the centre

Southwark's model is underpinned by the **system-wide adoption of the Standard Financial Statement (SFS)** across all debt types.

This enables:

- A single ability to pay assessment covering all liabilities owed to the council
- Alignment between service areas, avoiding conflicting repayment requests
- A clear understanding of what a **customer can realistically and sustainably afford across all debts combined**

By embedding SFS, the council ensures that recovery decisions across council tax, rent, and other public debts are consistent and affordability-led, rather than driven by individual service priorities.

Coordinated recovery and referral

Using this foundation, Southwark:

- Consolidates debts into **one repayment arrangement** across multiple liability types
- Coordinates recovery activity across teams, reducing duplication
- Holds recovery action while customers engage with support

The council also partners with the MaPS run **Money Adviser Network (MAN)** to provide rapid access to debt advice, supported by weekly outcome data to inform follow-up and engagement.

Southwark tracked the first 500 customers to MAN, primarily for rent and council tax arrears, and found that around **50% reduced their debt by an average of £500.**

SFS self-serve options

Many organisations now offer digital self-serve tools where customers can complete the SFS online at their convenience. These tools often:

- Guide customers step-by-step through income and expenditure categories.
- Include built-in trigger figures for reasonableness checks.
- Allow customers to upload evidence (e.g., payslips, bills).
- Provide secure submission directly to the creditor's system.
- integrate with Open Banking and Benefit Checks for faster, more accurate data capture.

Benefits of self-serve SFS

- Customer convenience: Complete at a time that suits them, reducing call times and stress.
- Efficiency: Cuts down on lengthy phone conversations and speeds up ability to pay decisions.
- Accuracy: Digital tools often validate entries and flag missing information.
- Engagement: Empowers customers to take control of their budgeting and repayment plan.
- Scalability: Easier for creditors to handle large volumes without increasing staff costs.

CDER Group, an enforcement firm, uses the SFS by partnering with IE Hub and Inbest.

IE Hub, Inbest and CDER Group – Streamlining SFS completion

IE Hub [36] is an income expenditure web portal that empowers customers in financial difficulty to take control of their debt situation. Customers can access the IE Hub portal and complete a single I&E form, based on the Standard Financial Statement. IE Hub has also integrated the Inbest benefits calculator to make income maximisation an integral part of the service. The I&E can then be shared using IE Hubs digital journey with all organisations the customer owes money to (creditors).

To agree a sustainable repayment plan, creditors should first understand a customer's ability to pay, which is usually done through the completion of an I&E. This is time-consuming for the creditor and stressful for customers if they must repeat the process with multiple creditors.

IE Hub helps customers to complete an SFS based I&E once and they have now established successful partnerships with over 109 creditors, debt advice providers, and support partners.

Also, IE Hub's integration of the Inbest [37] benefits calculator has identified over £204 million in annual unclaimed benefits since going live, increasing customer income by an average of £6,312 per year.

Partnership with CDER Group

CDER Groups Vulnerability Strategy includes a commitment to delivering fair resolutions for both creditors and those experiencing enforcement action. CDER have a specialist welfare team that manage extended payment breaks and longer-term repayment agreements.

To negotiate payment arrangements CDER use the SFS as their benchmark for assessing 'ability to pay' and now partner with IE Hub to streamline the process:

"Working to collect an HMCTS debt, we contacted a father of two looking to agree a repayment plan and sent a link for IE Hub. Within a couple of hours, the customer had completed their I&E and returned it to us. The customer was able to attach proof of income and vulnerability as he suffers from Bipolar and is an amputee. The I&E was assessed against the SFS, and after a conversation with the customer, an arrangement was agreed. Through the benefit check, we identified that the customer was entitled to an additional £779 per month. The customer was happy and said that IE Hub was easy to use"

Digital affordability tools can help remove barriers that prevent customers from accessing support and agreeing sustainable repayment arrangements. The case study below shows how Northumbrian Water and Inicio have combined digital innovation, income maximisation, and partnership working to improve customer engagement and support outcomes.

36 https://www.iehub.co.uk/

37 https://inbest.ai/benefits-calculator/

Northumbrian Water and Inicio – Enabling better outcomes through digital affordability assessments

Northumbrian Water works closely with a range of debt advice providers, pro-actively signposting services, and respecting recommendations on customer repayment plans. Its collaborative approach helps customers access the right support at the right time.

A common barrier for customers seeking help is the challenge of providing complete income and expenditure details - an essential step in qualifying for discounts and financial assistance.

To address this, Northumbrian Water partnered with Inicio to develop Budgie, a user-friendly online self-service platform that simplifies customer affordability assessments. This approach has enabled more than 30% of consumers that were previously struggling to engage to secure help.

Budgie features a virtual AI assistant that guides users through an income and expenditure assessment, aligned with the MaPS Standard Financial Statement. Through Budgie, customers can:

- • Submit a clear, detailed breakdown of their finances at a time that suits them
- • Receive a personalised budget to help manage bills, clarifying available support
- • Share budget information with other creditors and support organisations

Complementing Budgie, Northumbrian Water has embedded the Policy in Practice benefit calculator for its customers. This tool not only confirms access to company discounted social tariffs but also helps **customers access up to £24bn of support that goes unclaimed each year.** Notably, over 70% of eligible customers were unaware they qualified for additional financial support, highlighting the value of such digital tools.

While expanding the role of digital self-serve tools, Northumbrian Water continues to maintain multi-channel options, including a strong community presence to ensure it doesn't leave behind digitally unconfident customers. It continues to work with a range local networks to reach customers, recognising that debt often intersects with housing, benefits, and other challenges. One recent example is its collaboration with believe housing, a social housing provider in County Durham managing over 18,000 homes. Northumbrian Water launched a six-week pilot programme, co-locating its staff within believe housing's offices. In partnership with the local authority, MaPS-commissioned debt advice providers, and other stakeholders, the initiative created a one-stop support hub offering integrated assistance across water, housing, council tax, and debt advice. Northumbrian Water is now exploring next steps with interest from two additional housing associations keen to replicate the approach.

10. Simplifying access for third party Debt Advisers

Debt advisers play a vital role in helping people manage arrears, however some creditor third-party authority to act processes create barriers that slow down support and increase time and effort for everyone. By working together, MaPS hopes that creditors and debt advice agencies can streamline these processes, leading to faster resolutions, improved customer experience, and stronger trust.

At MaPS, we are currently conducting research into creditor third-party access processes for debt advisers. This is a key area of focus for us to improve outcomes for people in debt and by reducing complexity across the debt advice sector.

This is because debt advisers face some of the following communication challenges when attempting to make representations on behalf of their clients:

- Some creditors have exclusive referral partnerships with a single debt advice provider limiting customer choice
- Creditor online portals for debt advice correspondence, which exclude some debt advice providers
- As a consequence of the above, debt advisers have to rely on postal correspondence, causing delays.
- Some creditors do not accept a signed authority from an advice provider and insist on their own forms being used.
- Inflexible creditor telephone procedures requiring three-way calls between the creditor, debt adviser, and customer.
- Lack of dedicated debt adviser contact points.

These fragmented systems create complexity for debt advisers, and operational challenges for creditors. But most importantly, delays can lead to additional charges, higher debt burdens, and increased stress for those with problem debts.

What constitutes good practice?

To make the process smoother for all parties, MaPS recommends that creditors consider these initial steps:

Creditor Third-Party access for Debt Advisers – recommended practice

1. Create Dedicated Debt Adviser Channels

- Provide a helpline or email specifically for debt advisers.
- Ensure staff are trained to handle third-party authority requests efficiently.

2. Standardise and Digitise

- Use secure online systems for uploading authority to act documents and verifying debt adviser credentials.
- Accept electronic signatures and digital consent where possible.

3. Offer Flexible Verification Options

- Move away from rigid processes that require customers to be present for calls or insist on postal correspondence.
- Allow debt advisers to confirm identity through multiple secure methods (e.g., digital verification, secure email, or portal-based authentication).
- Where verbal consent is needed, consider callback arrangements that avoid lengthy three-way calls and reduce stress for the customer.

4. Communicate Clearly

- Publish simple guidance for debt advisers on your website, including steps, required documents, and turnaround times.

5. Engage with all debt advice providers

- Work with the customers chosen debt advice provider, not just the preferred referral partner

Simple changes to creditor access arrangements can make a significant difference to both debt advisers and customers. DWP's dedicated priority helpline provides a practical example of how specialist adviser channels can support faster, more effective case resolution.

DWP Debt Management – Supporting debt advisers through a dedicated priority helpline

The Department for Work and Pensions (DWP) has introduced a priority helpline for debt advisers, providing direct access to its Debt Management teams for cases involving welfare overpayments. This dedicated channel enables debt advisers to discuss client circumstances, clarify balances, and agree appropriate next steps more efficiently.

For creditors, this approach demonstrates the value of offering specialist, accessible routes for debt advisers. By providing a clear and consistent point of contact, DWP has reduced delays, improved the quality of engagement, and enabled more effective case resolution. Advisers are better equipped to represent their clients, while frontline creditor teams can rely on accurate and timely information to inform decisions.

The service also supports better customer outcomes. Faster access to decision-makers helps ensure repayment arrangements are based on a full understanding of the customer's circumstances, including ability to pay and vulnerability. It reduces the need for repeated contact, minimises stress for clients, and helps prevent escalation.

Customers sometimes need support from a trusted third party, but inconsistent authorisation processes can create delays and unnecessary barriers. The case study below shows how Lowell has simplified Authorised Third-Party Access through a consistent, customer-controlled approach across digital and assisted channels.

Lowell Financial - Flexible Authorised Third-Party Access

Lowell has recognised that customers often need support from partners, family members, or professionals such as debt advisers when managing their accounts. Previously, the process to add or verify Authorised Third-Party Access (ATP) varied across contact channels and lacked visibility for both customers and colleagues. This created inefficiencies, inconsistencies, and potential delays, particularly when customers required urgent assistance.

This is why Lowell have created a unified, reliable solution that has enabled:

- Customers to add and manage ATPs easily
- Clear and consistent recording of authority levels
- Visibility for colleagues when interacting with customers
- High compliance and strong data protection practices

The solution

1. Online Self-Service through Portal & App

Customers can log into their account in the Portal or App and navigate straight to their profile to add an Authorised Person. The digital journey captures all necessary information through a streamlined form, giving customers full control.

2. Assisted Channels: Voice, Live Chat & Email

For customers who need assistance, agents can add ATPS directly through an internal system ensuring a consistent data set

3. Account-Level Flexibility

Authorisations are applied at account level meaning a customer can choose to involve someone in one specific account without granting access to others.

4. Customisable Access Levels

During setup, customers can select from three clearly defined authority types:

- **Full Access** – comprehensive account support
- **Restricted Access** – limited access to pre-approved areas
- **Payment-Only Access** – ability to make payments but no other account actions

5. Enhanced Visibility for Colleagues

When a colleague opens an account where an ATP is in place, the customer's ATP information is clearly highlighted in red. This visual cue ensures agents are immediately aware and can complete Data Protection (DPA) checks swiftly and confidently

Miranda Shanks, Citizens Advice: "Our research finds inconsistent third-party authorisation is a major barrier, with 42% of advisers wanting a standard, reliable process. Lowell is seen as best practice—consistently accepting authorities, recognising authorised third parties, and offering an effective dashboard, cutting admin and freeing debt advisers to support clients."

11. Supporting customers through specialist interventions

Most customers can be supported through standard affordability assessments, debt advice referrals, and sustainable repayment arrangements. However, some customers face circumstances that require a more specialised response. This may include people experiencing economic abuse, mental health difficulties, or a mental health crisis.

In these situations, creditors can work alongside debt advisers, health professionals, and specialist support organisations to ensure customers receive appropriate protection, support, and forbearance. Established sector tools and statutory protections help creditors respond consistently while reducing harm and improving long-term outcomes.

Figure 8 below summarises three key specialist interventions and the practical actions creditors can take to support customers affected by economic abuse, mental health difficulties, and mental health crisis.

FIGURE 8

Supporting Customers Through Specialist Interventions
Economic Abuse • Mental Health • Crisis Protection

Economic Abuse Evidence Form (EAEF)

How creditors can support

Accept the EAEF and apply a "tell us once" approach.

Pause collections and review support options.

Work with specialist advisers and domestic abuse services.

Debt & Mental Health Evidence Form (DMHEF)

How creditors can support

Accept the DMHEF as evidence.

Consider proportionate forbearance and support.

Avoid requesting duplicate medical evidence.

Mental Health Crisis Breathing Space

How creditors can support

Apply Mental Health Crisis Breathing Space protections.

Pause collections, contact and enforcement activity.

Support recovery and engagement with advice.

11.1 Supporting Victim-Survivors of Economic Abuse and Coerced Debt

Economic abuse is a form of domestic abuse where someone controls or restricts another person's access to money, resources, or economic opportunities, undermining their financial independence.

Coerced debt occurs when an abuser forces or manipulates someone into taking out credit, loans, or other financial commitments in their name.

Both leave victim-survivors with significant financial harm and barriers to regaining control of their lives. Many experience this harm each year, often resulting in significant debts across multiple creditors.

Victim-survivors often carry £28,000 of debt across seven creditors, with 60% involving coerced debt.[38]

Creditors and debt advice providers play critical roles in identifying economic abuse, and both can ensure that victim-survivors receive consistent, compassionate, and effective support. By working together, both can help individuals regain financial independence, reduce harm, and create pathways to financial recovery.

Charities such as Surviving Economic Abuse (SEA) and Money Advice Plus have led the way in developing specialist support for victim-survivors and now, encouragingly, other debt advice providers are now stepping forward to offer tailored support, creating a growing network of partner expertise that creditors can engage with.

The Economic Abuse Evidence Form (EAEF)

The EAEF[39] was developed by Money Advice Plus and SEA and is a sector-leading tool that enables creditors and debt advisers to share essential information in a structured, trauma-informed way.

The EAEF is a standardised form used by trained debt advisers to confirm that a customer has experienced economic abuse and outline its impact on their financial situation. It is designed to reduce the need for victim-survivors to repeatedly disclose traumatic experiences to multiple organisations.

Why should creditors adopt the EAEF?

The EAEF improves consistency across creditors and debt advice agencies. This can speed up decision-making, leading to faster resolutions due to fewer requests for additional information.

The EAEF's 'tell us once approach protects the emotional wellbeing of victim-survivors as well as reducing secondary trauma [40]for creditor agents.

Other resources

The **Economic Abuse Toolkit**[41], developed by the Government Debt Management Function's (GDMF) Fairness Group. provides all creditors with practical guidance to identify and support customers experiencing economic abuse. It includes clear definitions, examples, and screening tools, alongside referral pathways and staff training recommendations. By adopting these measures, creditors can ensure fair treatment, reduce risk, and align with best practice in supporting vulnerable individuals."

38 https://survivingeconomicabuse.org/i-need-help/debt/statistics-on-coerced-debt/

39 https://survivingeconomicabuse.org/what-we-do/economic-abuse-evidence-form/

40 https://www.ptsduk.org/secondary-trauma/

41 https://www.gov.uk/government/publications/public-sector-toolkits/economic-abuse-toolkit-html

Government Interactive Tool for Businesses and Charities – Supporting Frontline Identification of Economic Abuse

The UK Government has developed an interactive online tool to help organisations identify and respond to signs of economic abuse in a consistent and practical way.

Designed for use by frontline staff, the tool guides users through a series of structured questions to assess possible indicators of abuse and suggests appropriate next steps.

For creditors, this provides a simple and scalable way to support frontline agents, particularly those without specialist training. The tool helps staff to recognise potential economic abuse, ask appropriate questions, and respond in a way that is proportionate and sensitive to the customer's situation. It also reinforces good practice by signposting to relevant support options and encouraging alignment with sector tools such as the Economic Abuse Evidence Form (EAEF).

By integrating practical tools like this alongside staff training and clear internal guidance, creditors can strengthen their approach to vulnerability and ensure frontline interactions are better equipped to support customers experiencing economic abuse.

Further information:

https://www.tax.service.gov.uk/guidance/check-for-signs-economic-abuse/start/about-this-guidance

SEA offers **specialist training**[42] to help professionals identify and respond to economic abuse. Courses cover recognition, practical response, and embedding best practice across sectors like financial services, housing, and local authorities.

Collaborative good practice guidance for creditors

1. Join the Commitment

- Sign up to accept the EAEF via Surviving Economic Abuse (SEA).
- Make a shared, public commitment to supporting the EAEF to build trust and consistency across the sector.

2. Build Knowledge Together

- Provide staff training about the EAEF and its purpose.
- Partner with debt advice agencies to develop training on recognising economic abuse and enabling safe disclosure.
- Establish specialised teams that work closely with advice agencies to handle cases effectively.
- Provide wellbeing support for front line agents to reduce secondary trauma.

3. Work jointly on Collections activity

- Agree protocols with debt advice agencies, where the EAEF will trigger actions such as pausing collections, waiving fees, and reviewing credit reporting.

4. Strengthen Referral Partnerships

- Share EAEF securely and maintain feedback loops with advice agencies.
- Embed referral routes to sources of domestic abuse support and specialist debt advice

42 https://survivingeconomicabuse.org/training/

11.2 The Debt and Mental Health Evidence Form (DMHEF)

The Debt and Mental Health Evidence Form (DMHEF) was introduced in 2008 in response to concerns raised by customers, debt advisers, and health professionals about how evidence of mental health difficulties was being requested and used in debt collection processes.

At that time, customers were often asked to provide multiple, inconsistent, or overly detailed medical letters to different creditors. This could be distressing for customers, burdensome for health professionals, and resulted in inconsistent decision-making by creditors. Creditors also lacked clarity about what information was appropriate and proportionate to request.

The DMHEF addresses these challenges by creating a single, standardised, and proportionate form of evidence that can be used by debt advisers and creditors with its focus being on understanding how a mental health condition affects an individual's ability to manage money, rather than seeking a diagnostic or unnecessary clinical detail.

Who can use the DMHEF

The DMHEF can be used collaboratively by:

- Creditors, to inform decisions about collections activity, enforcement, and other support for people in debt
- Debt advisers, to support discussions and negotiations with creditors on their client's behalf
- Customers, with the support of a debt adviser or authorised representative

In all cases, the DMHEF can only be used with the informed consent of the customer, or someone formally authorised to act on their behalf.

When Creditors can use the DMHEF

Creditors may use the DMHEF where:

- A customer has disclosed, or it is apparent, that they are experiencing mental health difficulties.
- Those difficulties appear to be materially affecting their ability to manage debt; and
- Independent professional evidence would help inform decisions around collections activity, enforcement, or appropriate support and adjustments.

The DMHEF should only be requested where it is likely to add clarity and value. Creditors are encouraged to avoid using the form as a prerequisite for basic forbearance, or as a means of validating a customer's disclosure where supportive action can already be taken.

Use of the DMHEF by debt advisers and expectations of creditors

Debt advisers will typically use the DMHEF where a customer's mental health difficulties are significantly affecting their ability to manage debt, and where independent evidence would support constructive engagement with creditors. This may include requests for a pause in recovery activity, reduced or nil repayments for a period, breathing space while treatment is ongoing, or other tailored solutions.

Where a DMHEF is provided by a debt adviser, creditors are encouraged to:

- Consider the information promptly and carefully, alongside the customer's financial circumstances
- Use the evidence to explore appropriate, reasonable, and proportionate forbearance
- Avoid requesting duplicate or unnecessary medical evidence
- Work collaboratively with the debt advice provider to agree next steps that reflect the customer's situation

Accessing and Downloading the DMHEF

Creditors and debt advisers can access the current version of the DMHEF and all associated materials through the Money Advice Trust website.[43]

The online hub includes:

- The DMHEF form
- The DMHEF consent form
- Creditor and adviser user guidance
- Supporting information about when and how the form should be used

The form is centrally hosted to ensure that all parties use a consistent and up-to-date version, and to reduce unnecessary duplication or variation across the sector.

Completion of the form

The DMHEF must be completed by a health or social care professional, such as a GP, psychiatrist, mental health nurse, or social worker. Creditors and debt advisers should not complete, amend or seek to influence the content of the form.

In England, GPs who agree to complete a DMHEF cannot charge a fee. All parties should seek to minimise unnecessary delays or barriers to completion.

Octopus Energy has led the way in redefining how creditors support customers experiencing vulnerability and mental health difficulties. The case study below highlights its pioneering approach, combining specialist social work expertise with recognition of the Debt and Mental Health Evidence Form (DMHEF) to deliver more personalised and effective customer support.

43 https://moneyadvicetrust.org/advice-services/dmhef/

Octopus Energy - Pioneering a new standard of vulnerable customer care

Octopus Energy was the first energy supplier to embed qualified Social Workers into its customer support team, ensuring no one faces rising costs, abuse, or hardship alone.

Expanding rapidly from two to eight specialists in under three years, the team's expert guidance empowers customer care to move beyond reactive fixes to address wider health, social and financial barriers.

With customer consent, the social workers conduct home visits, assess risks, and coordinate referrals to external agencies where needed. This model enables Octopus to respond effectively to a wide range of needs, including debt, suicide ideation, domestic abuse, child protection, health, and social care - within both their customer and employee base.

The social workers are supported by 500 vulnerability specialists trained in areas such as gambling harms, mental health, and economic abuse.

This support strategy is strengthened through partnerships. For those affected by domestic or economic abuse, Octopus collaborates with PayPlan to implement appropriate account credits and safeguarding measures to ensure customer safety and financial stability.

Octopus continues to incorporate credit considerations into customer support by recognising the Debt and Mental Health Evidence Form, helping bridge financial processes with more human-centred approaches to debt management.

"Debt rarely exists in isolation," explains Katie Orme, Head of Social Work at Octopus. "By taking a holistic, strengths-based approach and understanding a person's day-to-day reality, we can offer support that goes beyond finances and helps customers build lasting independence".

Octopus Energy's industry-first service transcends traditional compliance through innovative support mechanisms. Examples include the £40 million Octo Assist Fund, set up in the wake of the energy crisis to increase access to financial support, and the "You Pay, We Pay" scheme, introduced to empower self-sufficiency by matching customer debt payments.

Together, these initiatives reinforce Octopus Energy's customer-centred approach, using empathetic, personalised engagement to build trust and set a new standard for customer care.

11.3 Mental Health Crisis Breathing Space – Creditor awareness

Mental Health Crisis Breathing Space (MHCBS) is a statutory scheme providing temporary protection for individuals in England that are receiving treatment for a mental health crisis. During this period, customers are shielded from most creditor action, including interest, fees, charges, enforcement, and contact, giving them time to stabilise their situation and engage with support.

Eligibility is determined through evidence of mental health crisis treatment, which must be confirmed by an **Approved Mental Health Professional (AMHP)**. Once this evidence is obtained, an application can be submitted by a range of individuals, including the customer themselves, a carer, a mental health professional, or an authorised representative.

For creditors, this means that when notified of a MHCBS, protections must be applied promptly and in full. This includes pausing all relevant collections activity and ensuring systems are updated to prevent contact or enforcement. As customers may enter the scheme through clinical or support professionals rather than direct engagement with creditors, organisations should ensure processes are robust and staff are aware of their obligations.

Supporting customers effectively during this period is essential. Creditors should work constructively with debt advisers (where one is involved) and recognise that the scheme is designed to prioritise recovery and wellbeing. A consistent and compliant approach not only meets statutory requirements but also supports better long-term outcomes and engagement.

Further information and guidance:

England and Wales

https://maps.org.uk/en/our-work/our-debt-work/mental-health-crisis-breathing-space#Who-can-send-a-referral-for-Mental-Health-Crisis-Breathing-Space-

Scotland

Scotland does not operate the Breathing Space Scheme; comparable protections are available through a statutory moratorium on debt collection activity and the Debt Arrangement Scheme (DAS).

https://aib.gov.uk/debt-solutions/moratorium/

12. The MaPS Supportive Creditor Framework

This Framework is a voluntary maturity model developed by MaPS to help creditors assess their current approach to debt recovery and identify opportunities for improvement. It is not an accreditation scheme or regulatory requirement, but a practical self-assessment tool based on evidence gathered from creditors, debt advisers and wider stakeholders.

Since the last iteration of this toolkit, expectations of what constitutes supportive creditor behaviour have evolved significantly. The focus has shifted beyond relatively passive approaches such as simply signposting customers to sources of help towards delivering **seamless, integrated referral journeys** that connect people to debt advice quickly and at the right moment.

Similarly, while earlier practice emphasised recognising the SFS, the expectation is now for **full system integration**, with third party tech helping to embed the SFS across creditor processes and aligned with digital tools and data sharing. This reflects a broader move from isolated practices to more coherent, joined-up systems.

There has also been a cultural shift in how creditors engage with the advice sector. Relationships alone are no longer sufficient; instead, there is an expectation of **operational collaboration**, where creditors and debt advisers work together in a structured, consistent, and scalable way to improve outcomes.

Support has become more sophisticated and targeted. Rather than offering generalised assistance, creditors are increasingly expected to deliver **targeted, data-led interventions**, using insight and partnerships to respond to different customer needs whether related to vulnerability, life events, or financial complexity.

Through data and insight, creditors are gathering and analysing key information—such as referral volumes, take-up of advice, post-referral outcomes, drop-off rates, and customer characteristics to build a clearer picture of how referral processes are working in practice.

Monitoring referral outcomes is critical, shifting the focus from simply counting referrals to tracking what happens afterwards, such as whether customers access advice, complete the journey, and achieve a sustainable solution, so that processes can be refined to deliver better results over time.

Our 2026 standards framework summarises what good now looks like: early, digital-first access to debt advice; bespoke access for vulnerable customers, consistent use of the SFS; frictionless engagement with advisers; and targeted, partnership-led support that delivers better outcomes for customers and creditors.

Below Standard (Minimum baseline)

Creditors operating at this level typically take a reactive, inconsistent, and process-driven approach, characterised by limited referral pathways, non-standard ability to pay assessments, and restrictive engagement with debt advisers.

Area	What this looks like
Referrals to debt advice	Rely primarily on basic signposting (letters or contact centre only)
	Have limited or inconsistent referral pathways, with no digital or self-serve options
Ability to pay	Inconsistent approach to handling debt adviser or customer payment offers based on the SFS
	Inconsistent or non-standard internal ability to pay assessments, not aligned to the SFS
Access for Third Party Debt Advisers	Require debt advisers to use generic or restrictive contact routes
Supporting vulnerable customers through partnerships	Reactive, late-stage intervention; limited recognition of vulnerability or the customers context

Likely outcomes: Lower engagement, late intervention, delayed support, poorer repayment sustainability

Good Practice Standard (Expected norm)

Creditors operating at this level also apply a proactive, joined-up approach to improve engagement and outcomes:

Area	What this looks like
Referrals to debt advice	Proactively refer from early signs of financial difficulty, not just when arrears escalate Embedded referral pathways across all channels (phone, digital, app, web), including warm transfers and self-serve options Customers are supported to access the debt advice channel most appropriate to their needs and preferences, including community-based advice services where additional advocacy, casework or support is required
Ability to pay (SFS)	Handle the SFS payment offers consistently, recognising debt adviser submitted budgets and repayment proposals SFS adopted for internal income and expenditure processes (often achieved by use of external tech)
Access for Third Party Debt Advisers	The provision of clear, accessible routes for third-party debt advisers (dedicated adviser lines or digital portals, flexible consent) Work collaboratively with all debt advice providers, not just preferred referral partner, respecting customer choice Have named roles or teams responsible for debt advice relationships
Supporting vulnerable customers through partnerships	Using data to understand and improve how referrals work by tracking engagement and outcomes, and refining processes to increase take-up and effectiveness. Accept the EAEF and DMHEF as valid evidence to inform proportionate forbearance and decision-making

Likely outcomes: Improved engagement, more sustainable repayment plans, and stronger alignment with regulatory expectations (e.g. Consumer Duty).

Leading Practice (Exceeding the Standard)

Creditors operating at this level demonstrate a system-wide, customer-centred approach.

Area	What this looks like
Referrals to debt advice	Seamless, embedded digital referral journeys within collections and account management tools triggered at key risk moments Use of data, Open Banking, and behavioural insights to identify need and trigger timely support Shared data (with consent) to reduce duplication (e.g. portable re-use of the SFS)
Ability to pay	Full integration of the SFS across all systems; high acceptance of adviser proposals; shared data (where appropriate)
Access for Third Party Debt Advisers	Secure, standardised processes that allow advisers to submit authority digitally, verify identity flexibly, and engage without delays, duplication, or reliance on post or three-way calls Dedicated adviser channels that work with all debt advice providers, respect customer choice, and provide clear guidance, consistent routes, and trained staff Processes that give customers control over third-party access, enabling faster, smoother outcomes with minimal administrative burden for all
Supporting vulnerable customers through partnerships	Strategic partnerships delivering specialist interventions (e.g. vulnerability, economic abuse, mental health, self-employed) Active acceptance and use of tools such as the EAEF and DMHEF Co-designed solutions with the advice sector and ongoing joint training Applies a "tell us once" approach across the organisation

Likely outcomes: Early intervention at scale, reduced harm, stronger repayment outcomes, less administrative burdens for all

13. About the Money and Pensions Service (MaPS)

The Money and Pensions Service (MaPS) is an arm'slength body of the UK Government, sponsored by the Department for Work and Pensions. Its mission is to ensure people across the UK have access to the information and guidance they need to make effective financial decisions throughout their lives.

Created in 2019 by bringing together the Money Advice Service, The Pensions Advisory Service and Pension Wise, MaPS now delivers free, impartial money and pensions guidance to millions of people through its consumerfacing service, MoneyHelper.

MaPS operates across five core functions: pensions guidance, money guidance, debt advice, consumer protection and leading the UK Strategy for Financial Wellbeing. It is also the largest funder of free debt advice in England, working with partners across sectors to raise standards and improve outcomes for people in financial difficulty

14. Our approach and contacting MaPS

This update reflects our review of debt policy developments since 2020 and has been shaped through targeted engagement with stakeholders across the creditor and debt advice sectors. We sought feedback from a range of organisations to ensure the content reflects current practice, operational realities, and emerging challenges. The draft was also tested through a dedicated workshop with the MaPS Debt Adviser Panel, ensuring the guidance is informed by practitioner insight and lived experience. This approach has helped ensure the resource is both evidence-based and practical, supporting creditors to improve their approach while helping debt advisers understand and engage effectively with those practices.

The content will be reviewed annually to reflect policy developments, sector insight, and stakeholder feedback, ensuring it continues to support effective collaboration and improve outcomes for people in financial difficulty.

This resource is designed to be iterative and responsive to change. We welcome feedback from creditors, debt advisers, and wider stakeholders, and encourage organisations to contact MaPS via the following colleagues to suggest updates, share emerging practice, or challenge the guidance where appropriate.

Kevin Shaw, Senior Creditor Strategy Manager
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Harinder Chohan, Creditor Policy Manager
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15. Working with debt advice agencies – contact directory

To support collaboration between creditors and the debt advice sector, this toolkit includes a short directory of contact details for a selection of the UK's largest debt advice providers. These organisations represent a significant proportion of free, regulated debt advice provision and are frequently engaged by creditors on partnership development, policy matters, and operational queries.

The directory is intended as a practical starting point to help creditors identify appropriate points of contact, particularly when seeking to:

- Explore or strengthen referral partnerships
- Discuss policy developments or sector-wide issues
- Resolve operational queries raised by debt advisers or creditor front line agents

Given the size and diversity of the debt advice sector, it is not possible to include every organisation. The directory therefore focuses on a representative group of national and widely used providers, alongside established networks where relevant. Creditors should also recognise the important role of local and specialist advice services, particularly in supporting customers with complex needs, and consider engaging with these organisations where appropriate.

These routes are intended for partnership, policy, or operational engagement.

Organisation	Best suited for	Access channels	Type of support	Contact route
AdviceUK (network)	Local and independent advice provision	Varies by member	Umbrella network for community advice providers	adviceuk.org.uk/about/contact/
Business Debtline	Self-employed, small businesses	Phone, webchat, online	Specialist business debt advice	partnerships@moneyadvicetrust.org
CAP (Christians Against Poverty)	Severe hardship, crisis cases	Face-to-face (home visits)	Community-based, intensive support	externalrelations@capuk.org
Citizens Advice (national)	Complex needs, low income, crisis support	Face-to-face, phone, digital	Holistic advice (debt, benefits, wider issues)	corporate@citizensadvice.org.uk
Money Advice Plus	Economic abuse, complex vulnerability	Phone, digital (via referral partners)	Specialist, trauma-informed advice (EAEF expertise)	Advice@moneyadviceplus.org.uk
Money Wellness	Mixed demographics	Online, phone	Flexible, hybrid advice model	lenders@moneywellness.com
National Debtline	Lower to mid-income, self-help capable	Phone, webchat, online	Adviser-supported self-help	partnerships@moneyadvicetrust.org
PayPlan	Broad demographic, structured repayment	Online, phone, chat	Tech-enabled advice and DMPs	partnerships@payplan.com
Shelter	Housing-related debt and crisis	Phone, webchat, face-to-face	Specialist housing and debt advice	corporate@shelter.org.uk
StepChange	Higher unsecured debt, digital users	Online, phone	Structured solutions (e.g. DMPs)	stepchange.org/about-us/become-a-partner.aspx

Money & Pensions Service